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## Ukraine

### Grain and Feed

### June Update

### 2005

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**Report Highlights:**

Grain production in Ukraine in 2005 will likely be lower than initially forecasted due to worsened barley yield prospects and reduced corn planting. Lower grain production will be reflected in lower exports and feed utilization in MY 2005/2006. This report also contains information on wheat, barley and corn exports through the end of May 2005 and proposed MY 2004/2005 trade changes.

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Includes PSD Changes: Yes  
Includes Trade Matrix: Yes  
Unscheduled Report  
Kiev [UP1]  
[UP]

## Executive summary

Hot and dry weather from May 20 through May 30 is expected to have a negative impact on spring barley yields this year. Winter wheat (Ukraine's major grain crop), however, will not likely be affected by the hot weather as it can still recover and benefit from anticipated precipitation in early June. Corn production is also forecasted lower due to reduced plantings. Lower barley and corn production in 2005 will be reflected in reduced MY 2005/2006 exports.

## Wheat

### Production

FAS-Kiev does not recommend changing wheat production estimates at this point. Wheat is generally believed to be stressed by high temperatures at the flowering stage. This stage coupled with a sharp increase in air temperatures to 28-35 degrees Celsius from May 20-to-30, 2005 was compounded by the lack of precipitation in major grain producing areas in Ukraine. Fortunately, sufficient sub-soil moisture and expected precipitation in early June should prevent serious yield reduction for winter wheat.

Ukraine							
Wheat							
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		07/2003		07/2004		07/2005	MM/YYYY
Area Harvested	2450	2456	5900	5900	6300	6300	(1000 HA)
Beginning Stocks	3252	3092	1126	1200	3026	3160	(1000 MT)
Production	3600	3599	17500	17500	16700	16700	(1000 MT)
TOTAL Mkt. Yr. Imports	3365	3365	200	10	200	50	(1000 MT)
Jul-Jun Imports	3365	3365	200	10	200	50	(1000 MT)
Jul-Jun Import U.S.	57	57	0	0	0	0	(1000 MT)
TOTAL SUPPLY	10217	10056	18826	18710	19926	19910	(1000 MT)
TOTAL Mkt. Yr. Exports	66	66	3800	3950	4000	4000	(1000 MT)
Jul-Jun Exports	66	66	3800	3950	4000	4000	(1000 MT)
Feed Dom. Consumption	425	425	2400	2250	3000	3000	(1000 MT)
TOTAL Dom. Consumption	9025	8790	12000	11600	13000	13000	(1000 MT)
Ending Stocks	1126	1200	3026	3160	2926	2910	(1000 MT)
TOTAL DISTRIBUTION	10217	10056	18826	18710	19926	19910	(1000 MT)

### Trade

With the MY 2004/2005 wheat export season approaching an end, the previous estimate was increased to reflect higher exports during July 2004 through May 2005, plus outstanding shipments in June 2005. Estimates of wheat exports in April 2005 provided on the next page are based on preliminary official statistics, while May 2005 data is based on less reliable port shipment information available through May 25, 2005.

FAS-Kiev reduced the MY 2004/2005 wheat import estimate. There have been no registered import shipments from the Russian Federation and Kazakhstan to-date. As happened before, exporters in the Russian Federation and Kazakhstan might have indicated Ukraine as the export destination without having knowledge of the actual importing country. (Please refer to the table on wheat transit found on the next page.)

**Wheat Exports from Ukraine in July 2004- May 2005, MT**

<b>Country</b>	<b>July 2004- March 2005</b>	<b>Apr-05</b>	<b>May 2005(est.)</b>	<b>July-2004- May 2005</b>
Spain	632,901	193,930	210	827,042
Israel	452,118	7,834		459,952
Italy	417,642	19,097		436,739
Tunisia	299,439	43,551	25,000	367,990
Indonesia	233,813	0		233,813
Hungary	171,168	54,723		225,892
Egypt	159,955	0		159,955
Philippines	144,022	0		144,022
Algeria	125,905	8,510	3,000	137,415
Morocco	100,218	6,600	20,000	126,818
Korea, South	107,500	0		107,500
Bangladesh	82,000	0		82,000
United States	55,859	0		55,859
Sudan	55,558	0		55,558
Mauritania	55,468	0		55,468
Eritrea	42,450	0		42,450
Jordan	33,924	0		33,924
Germany	25,575	7,116		32,691
Cyprus	29,811	0		29,811
Syria	22,810	0		22,810
Libya	20,913	0		20,913
Greece	17,575	1,851		19,425
Albania	18,788	0		18,788
Belarus	15,405	2,529		17,934
Ireland	14,399	0		14,399
Turkey	12,859	0	5,000	17,859
United Kingdom	9,087	0		9,087
Georgia	6,601	0		6,601
Netherlands	1,502	5,066		6,568
Austria	3,580	1,245		4,825
Armenia	3,081	1,161		4,241
Lebanon	3,536	0		3,536
Poland	3,000	0		3,000
Russian Federation	1,007	192		1,199
Virgin Islands	1,024	0		1,024
Moldova	333	687		1,020
Saudi Arabia	222	397		619
Azerbaijan	136	0		136
Kazakhstan	60	0		60
<b>EU-25</b>	<b>1,326,241</b>	<b>283,027</b>	<b>210</b>	<b>1,609,478</b>
<b>Total</b>	<b>3,381,244</b>	<b>354,488</b>	<b>53,210</b>	<b>3,788,942</b>

Sources: State Statistics Committee of Ukraine, port statistics

**July 2004-May 2005 Wheat Transit Through Ukraine from Kazakhstan and the Russian Federation, MT**

	<b>Kazakhstan</b>	<b>Russian Federation</b>
Turkey	61280	0
Jordan	33900	0
Yemen	32400	0
Italy	31500	16540
Lebanon	5000	0
Greece	4600	0
Syria	3300	0
Egypt	3000	25000
Algeria	0	6450
Morocco	0	10000
Unknown	0	48500
<b>Total</b>	<b>174980</b>	<b>106490</b>

## Barley

Late barley planting this year significantly reduced yield potential as more than 90% of the area was sown beyond optimum conditions. For more information on the effect of late barley planting, please refer to the following article:

[http://www.fas.usda.gov/pecad/highlights/2005/05/ukr\\_13may05/](http://www.fas.usda.gov/pecad/highlights/2005/05/ukr_13may05/).

The period of hot weather from May 20 through May 30 reduced yield potential even further. Unlike winter wheat, barley will not likely recover from the drought stress at this stage; therefore, FAS-Kiev reduced the forecast for barley production in 2005 due to both lower area planted and lower yield expectations.

Lower barley production in 2005 will be reflected in reduced exports, domestic consumption and ending stocks in MY 2005/2006.

Ukraine							
Barley							
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		07/2003		07/2004		07/2005	MM/YYYY
Area Harvested	4600	4600	4500	4500	4400	4000	(1000 HA)
Beginning Stocks	1424	1072	796	438	1246	968	(1000 MT)
Production	6850	6833	11100	11100	9000	8000	(1000 MT)
TOTAL Mkt. Yr. Imports	39	50	50	30	80	80	(1000 MT)
Oct-Sep Imports	38	50	50	30	80	80	(1000 MT)
Oct-Sep Import U.S.	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	8313	7955	11946	11568	10326	9048	(1000 MT)
TOTAL Mkt. Yr. Exports	1517	1517	4300	4200	3800	3300	(1000 MT)
Oct-Sep Exports	2557	2557	4000	3800	3800	3300	(1000 MT)
Feed Dom. Consumption	4500	4500	4700	4700	4000	3500	(1000 MT)
TOTAL Dom. Consumption	6000	6000	6400	6400	5700	5000	(1000 MT)
Ending Stocks	796	438	1246	968	826	748	(1000 MT)
TOTAL DISTRIBUTION	8313	7955	11946	11568	10326	9048	(1000 MT)

According to available trade data, Ukraine exported 4.14 million tons of barley from July 2004 through May 2005. There will be no significant barley exports in June as exportable stocks are next to zero. The country breakdown for barley export shipments between July 2004-May 2005 is provided in the table below.

**Barley Exports from Ukraine in July 2004-May 2005, MT**

	Jul 04-Mar 05*	April 2005**	May 2005 (est)***	July 2004- May 2005 (est)
Saudi Arabia	1,547,124	77,231	36,000	1,660,355
Jordan	446,796	52,500	6,000	505,296
Iran	433,367			433,367
Syria	419,105			419,105
Israel	371,974			371,974
Libya	207,582		3,500	211,082
Tunisia	169,216	25,868		195,085
Hungary	98,952			98,952
Morocco	88,782			88,782
Algeria	36,270	2,745		39,015
Greece	37,371	1,616		38,987
Italy	27,897			27,897
Lebanon	21,204			21,204
United Kingdom	6,331			6,331
Belarus	6,098			6,098
Russian Federation	4,303	423		4,726
Germany	3,500			3,500
Turkey	3,009			3,009
United States	2,845			2,845
Cyprus	2,718			2,718
Armenia	1,969			1,969
Kazakhstan	1,504			1,504
Moldova	149			149
Kazakhstan		55		55
Japan	21			21
Switzerland	20			20
<b>EU-25</b>	<b>176,769</b>	<b>1,616</b>	<b>0</b>	<b>178,385</b>
<b>Total</b>	<b>3,938,105</b>	<b>160,438</b>	<b>45,500</b>	<b>4,144,043</b>

\* State Statistics Committee of Ukraine

\*\* Preliminary official numbers

\*\*\* Port Statistics

**Corn**

As corn planting nears completion, the Ministry of Agricultural Policy of Ukraine, announced that farmers planted 2.04 million hectares of corn for grain as of May 27, 2005, compared with 2.2 million hectares planted by the same date last year. FAS-Kiev suggests reducing the 2005 production forecast to reflect the reduced area under corn. As expected, (GAIN Report Number: UP5006 dated 4/1/2005

<http://www.fas.usda.gov/gainfiles/200504/146119291.pdf>), low corn profitability was the main reason for reduced corn plantings this year. MY 2005/2006 export and ending stocks estimates should be reduced to reflect lower production.

The corn export estimate for MY 2004/2005 has been increased to reflect the strong export pace to-date. Despite relatively poor quality, foreign buyers have been attracted by low prices. Corn exports in June alone are anticipated at 250,000 MT. Information on corn exports in October 2004-May 2005 is provided on the next page.

Ukraine							
Corn							
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2003		10/2004		10/2005	MM/YYYY
Area Harvested	2000	2000	2300	2300	2000	1800	(1000 HA)
Beginning Stocks	832	725	844	737	1454	1437	(1000 MT)
Production	6850	6850	8800	8800	6500	6000	(1000 MT)
TOTAL Mkt. Yr. Imports	0	0	10	0	0	0	(1000 MT)
Oct-Sep Imports	0	0	10	0	0	0	(1000 MT)
Oct-Sep Import U.S.	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	7682	7575	9654	9537	7954	7437	(1000 MT)
TOTAL Mkt. Yr. Exports	1238	1238	1800	2100	1100	1000	(1000 MT)
Oct-Sep Exports	1238	1238	1800	2100	1100	1000	(1000 MT)
Feed Dom. Consumption	4900	4900	5700	5300	4900	4900	(1000 MT)
TOTAL Dom. Consumption	5600	5600	6400	6000	5600	5600	(1000 MT)
Ending Stocks	844	737	1454	1437	1254	837	(1000 MT)
TOTAL DISTRIBUTION	7682	7575	9654	9537	7954	7437	(1000 MT)

#### Corn Exports from Ukraine in October 2004-May 2005, MT

	Oct 04-Mar 05*	April 2005***	May 2005 (est)***	Oct 04-May 05 (est)
Albania	3,500	1,740		5,240
Algeria	50,873	14,299		65,172
Armenia	18,743	3,414		22,157
Azerbaijan	1,615			1,615
Belarus	163,132	24,374		187,506
Egypt	45,649	8,005		53,654
Georgia	4,525	2,943		7,468
Germany	2,607	478		3,085
Iran	183,918	60,996	125,000	369,915
Israel	286,244			286,244
Italy	3,798			3,798
Kazakhstan	68			68
Lebanon	836		10,000	10,836
Libya	36,105	30,526	11,000	77,631
Poland	60			60
Russia	116,284	8,646		124,930
Spain	115,781	103,522	25,000	244,303
Syria	86,069	8,107		94,176
Tunisia	82,985	10,646		93,631
Turkey	13,605	8,764		22,370
United States	600	11,952		12,552
Yugoslavia	20			20
<b>Total</b>	<b>1,217,018</b>	<b>298,412</b>	<b>171,000</b>	<b>1,686,429</b>

\* State Statistics Committee of Ukraine

\*\* Preliminary official numbers

\*\*\* Port Statistics